

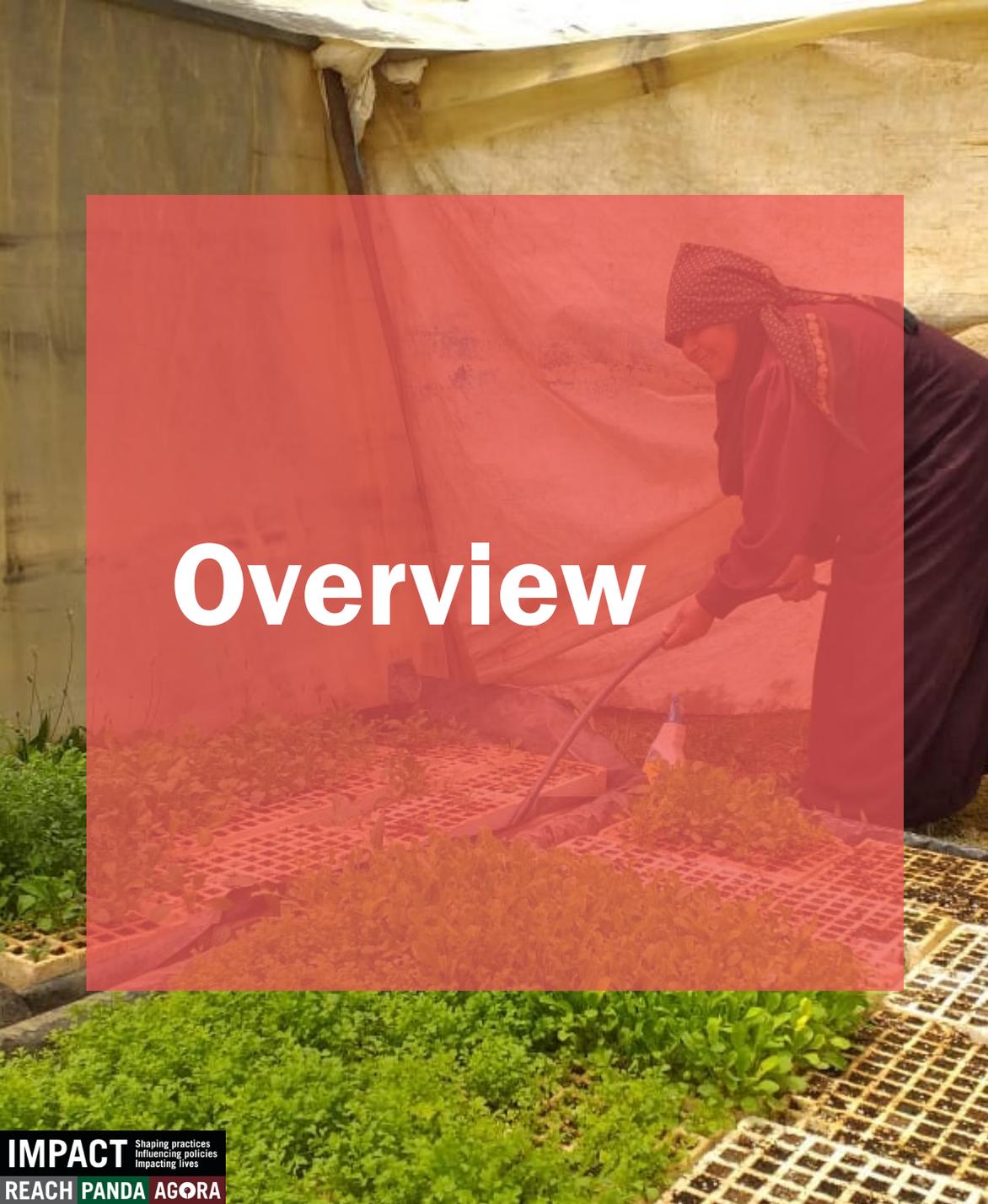
# COVID-19 Impact on Micro-businesses and Landless Labourers

Supporting Economic Growth  
and Sustainable, Diversified  
Income Creation in Jordan



Gift of the United  
States Government





# Overview

- Introduction and Methodology
- Financial Impact of COVID-19
- Operational Impact of COVID-19
- Needs and Knowledge Gaps
- Future Prospects

# Introduction and Methodology



# Objectives

1. To analyse the COVID-19-related challenges on micro-businesses and livelihoods in all 12 governorates of Jordan, focusing on the following occupational groups:
  - Farming micro-businesses
  - Food processing micro-businesses
  - Artisanal micro-businesses
  - Landless labourers
2. To strengthen humanitarian and development stakeholders' capacity to respond to the changing COVID-19 context and current needs among the 4 occupational groups.



## Research Questions

- 1) What are the key characteristics, socioeconomic situation, education level, and work sector of Syrian refugees and Jordanians who operate micro-businesses or work as landless labourers in Jordan?
- 2) What are the short and longer-term impacts of the COVID-19 pandemic on micro-businesses in terms of their sustainability and durability, and to what extent have the micro-businesses managed to overcome these impacts?
- 3) What forms of mitigation can humanitarian and development stakeholders take to support the sustainability and durability of micro-businesses in the future?

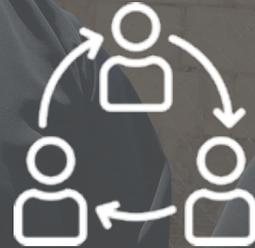
# Data Collection Methods

## Quantitative Component



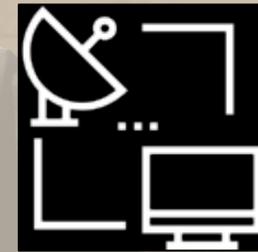
**1554** structured interviews with micro-business owners from all 4 occupational groups

## Qualitative Component



**31** semi-structured interviews with livelihood stakeholders and subject matter experts.  
**8** in-depth case studies with micro-business owners

## Literature Review



A desk review of the available literature on the impact of COVID-19 on micro-businesses and their markets



**Samples**

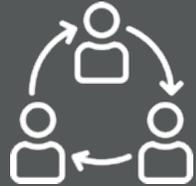
### Structured Purposive Survey Sample, By Population Group And Occupational Group

	Jordanians	Syrian Refugees	Total
Artisans	235	174	<b>409</b>
Farmers	233	157	<b>390</b>
Food Processors	209	164	<b>373</b>
Landless Labourers	35	347	<b>382</b>
<b>Total</b>	<b>712</b>	<b>842</b>	<b>1554</b>



### Semi-structured Purposive KII Sample, By Region And Occupational Group

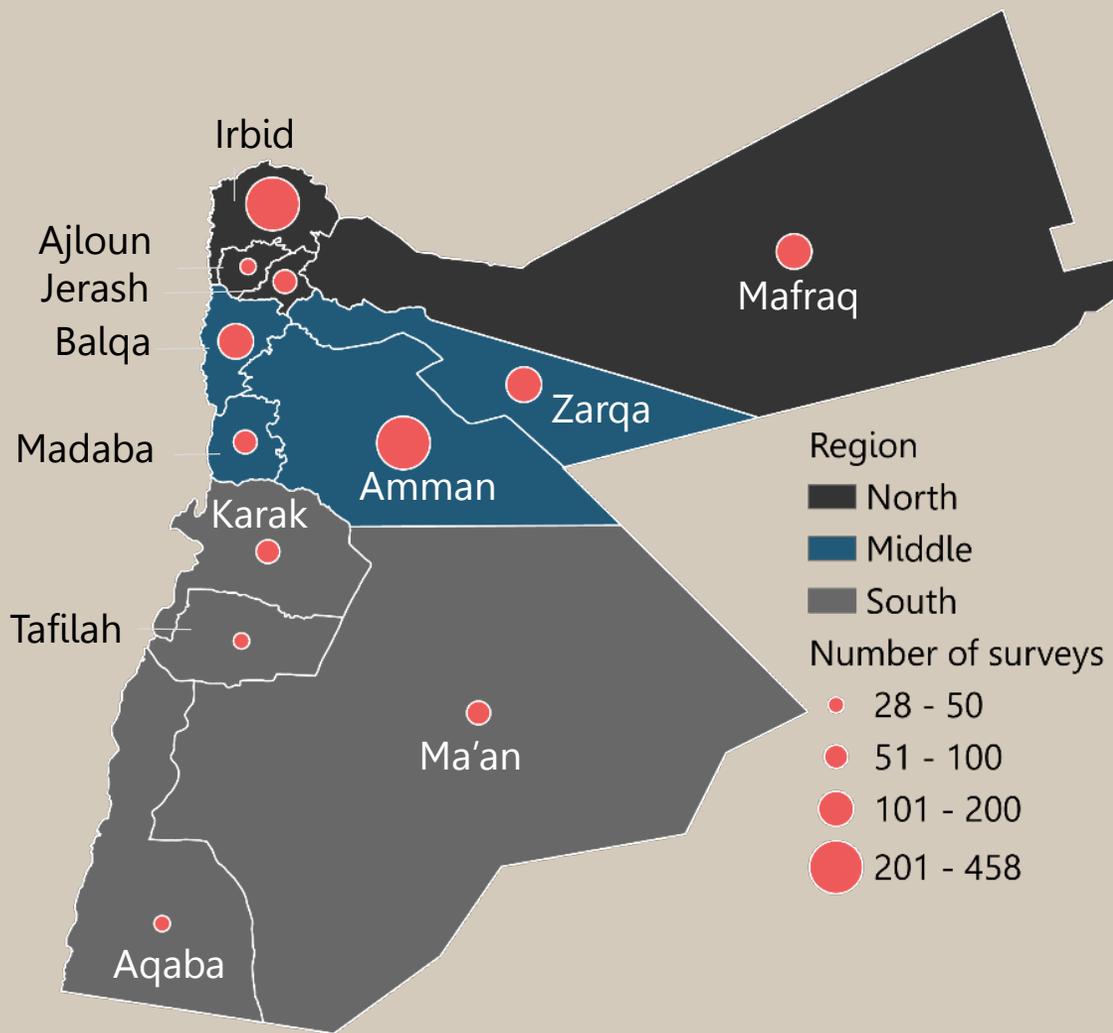
	North	Middle	South	Multiple	Total
Multi-Sector	1	3	1	4	<b>9</b>
Artisans	2	2	2	0	<b>6</b>
Farmers	2	0	1	1	<b>4</b>
Food Processors	3	4	2	0	<b>9</b>
Landless Labourers	1	1	1	0	<b>3</b>
<b>Total</b>	<b>9</b>	<b>10</b>	<b>7</b>	<b>5</b>	<b>31</b>



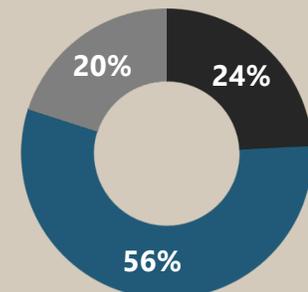


# Sample Distribution

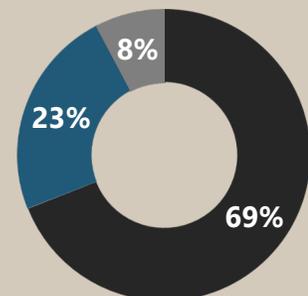
## Sample distribution by Governorate, Region and Occupational Group



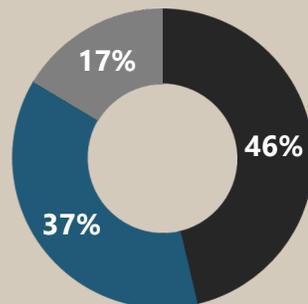
### Artisans



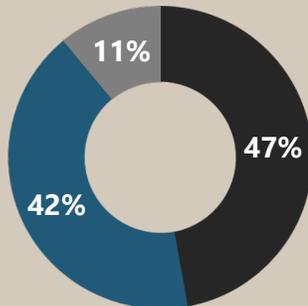
### Farmers



### Food Processors



### Labourers





# Business Types

## Structured purposive survey sample

Group	Sub-Group	Total
<b>Artisans</b>	Handicrafts (accessories, embroidery, etc.)	164
	Construction-related services	87
	Interior decoration	66
	Cosmetics/beauty salon	50
	Events-related services (photographer, planner, etc.)	15
	Retail – other	12
	Skilled maintenance services	9
	Specialised cleaning services	6
<b>Total</b>		<b>409</b>
<b>Farmers</b>	Seasonal farming	197
	Livestock (including bird breeding, n=3)	100
	Greenhouse farming	52
	Beekeeping	36
	Other	5
<b>Total</b>		<b>390</b>
<b>Food Processors</b>	Productive kitchen	134
	Dairy products	90
	Pickling	60
	Sweets production	47
	Baked snacks	42
<b>Total</b>		<b>373</b>

# Assessment Findings

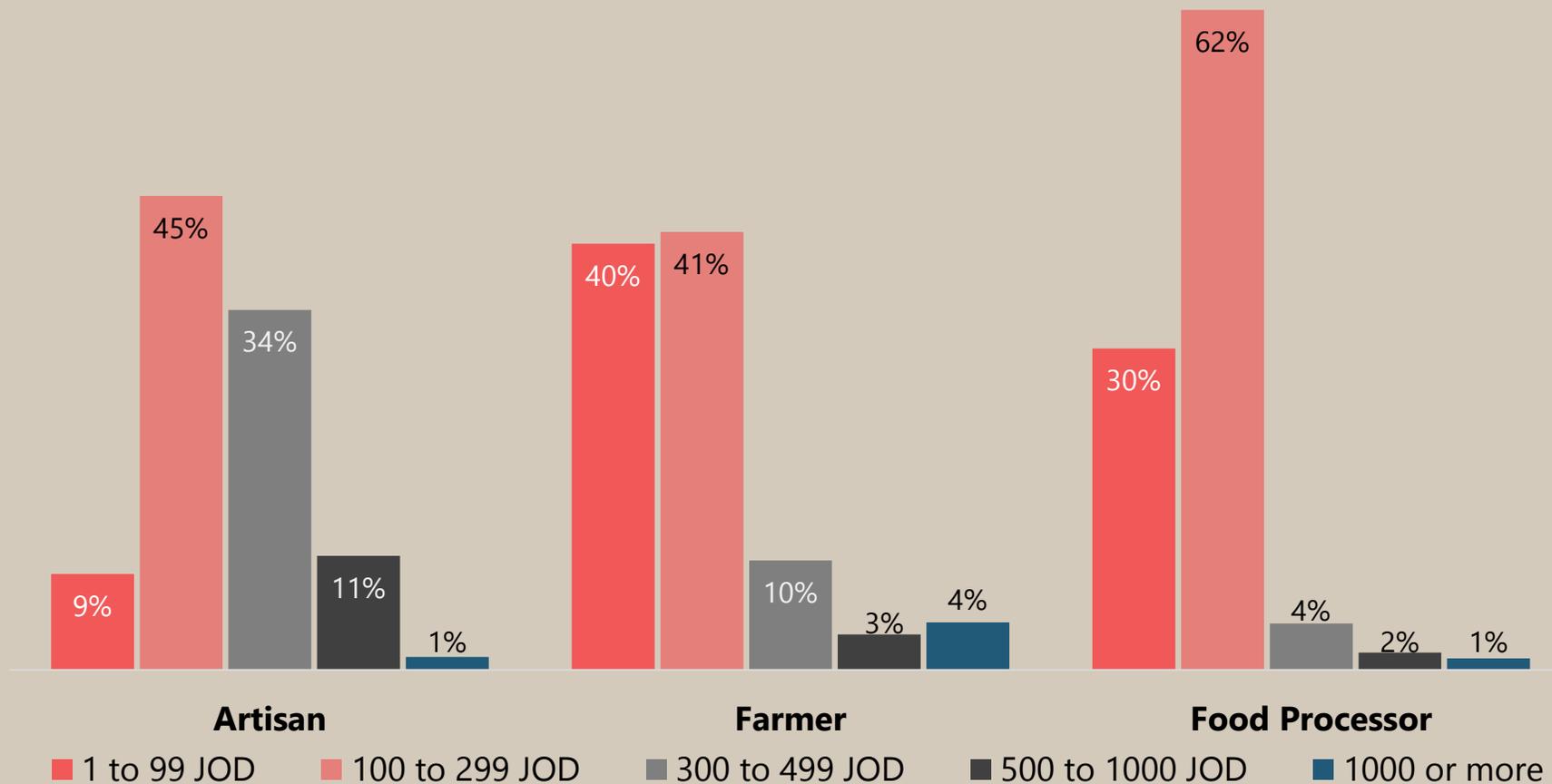
A woman wearing a brown hijab and a dark blue long-sleeved top is standing in a greenhouse, tending to cucumber plants. The plants are growing on a trellis system. The greenhouse has a white plastic covering and a metal frame. The background shows rows of similar plants stretching into the distance.

# COVID-19 Financial Impact



## Pre-COVID Income

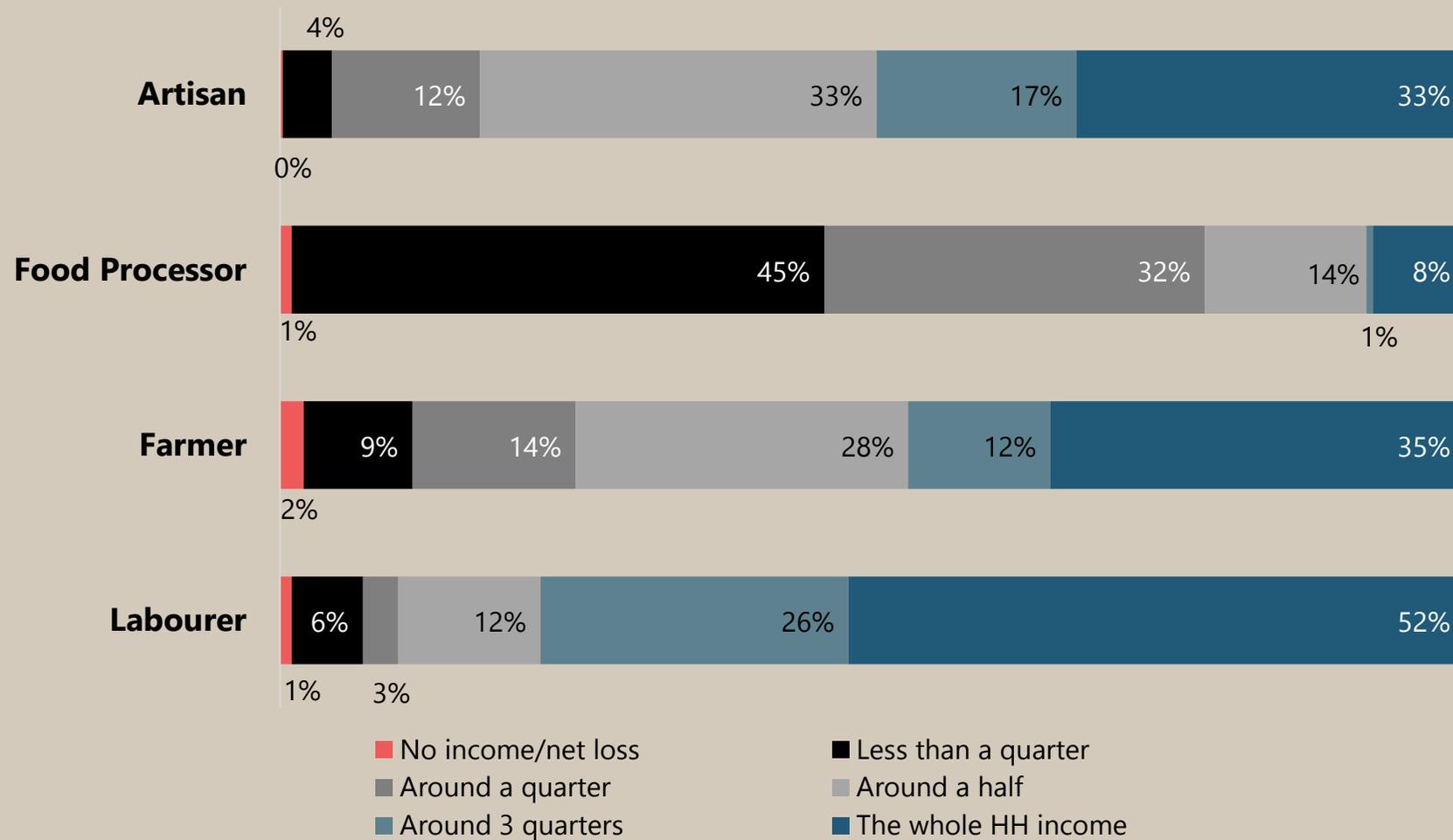
### Average monthly income from the income-generating activity, before COVID-19





# Pre-COVID-19 Income

## Share of household income from the income-generating activity, before COVID-19

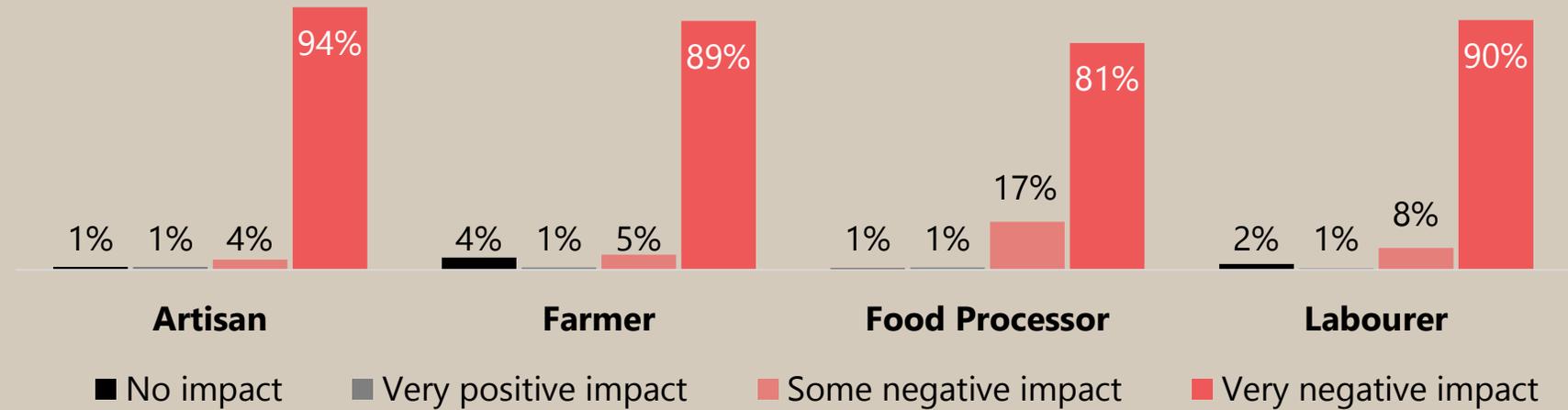




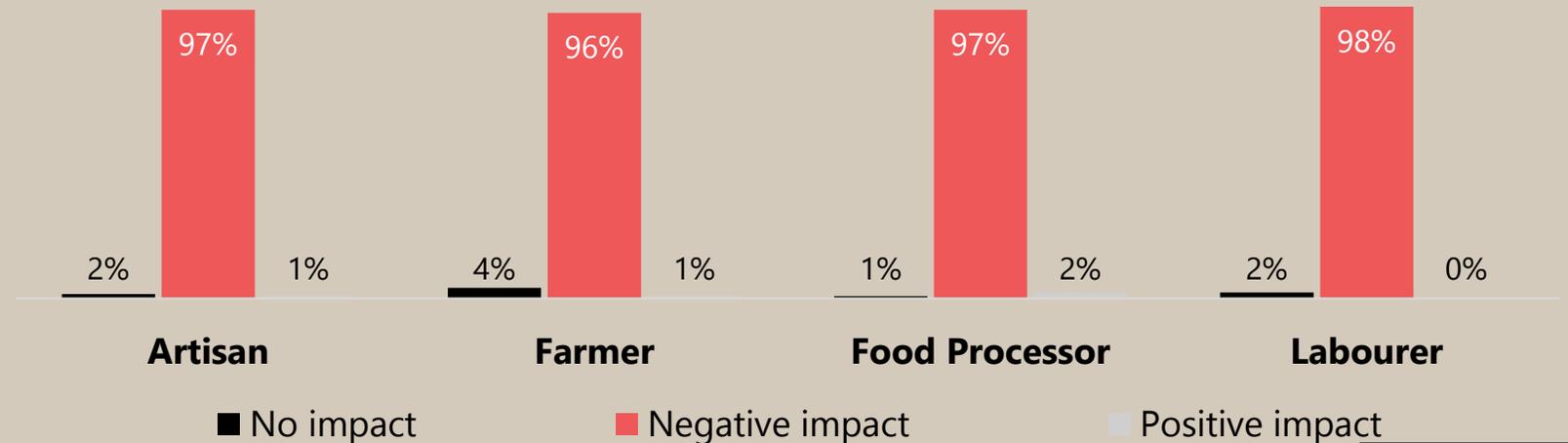
**COVID-19  
Short-term  
Impact**

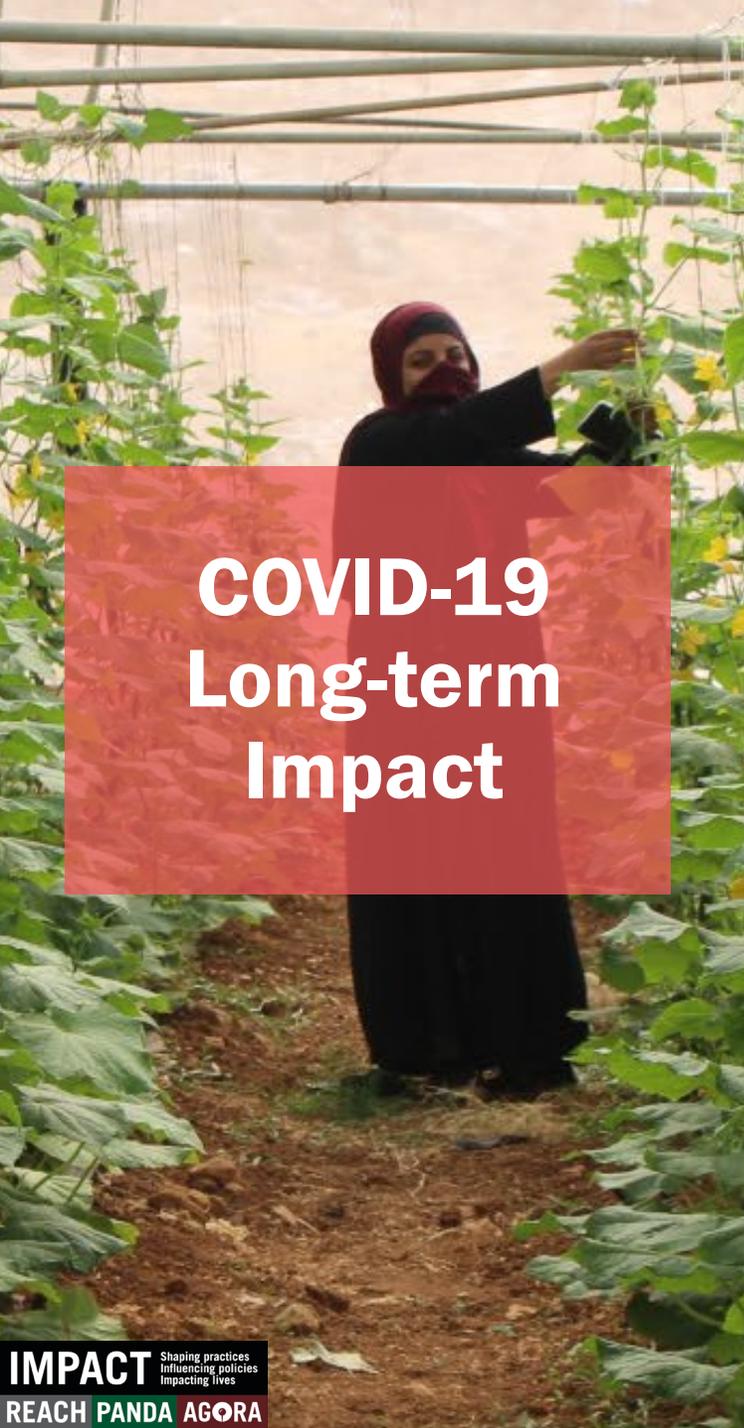
**The impact of movement restrictions and economic downturn on:**

**i) household finances**



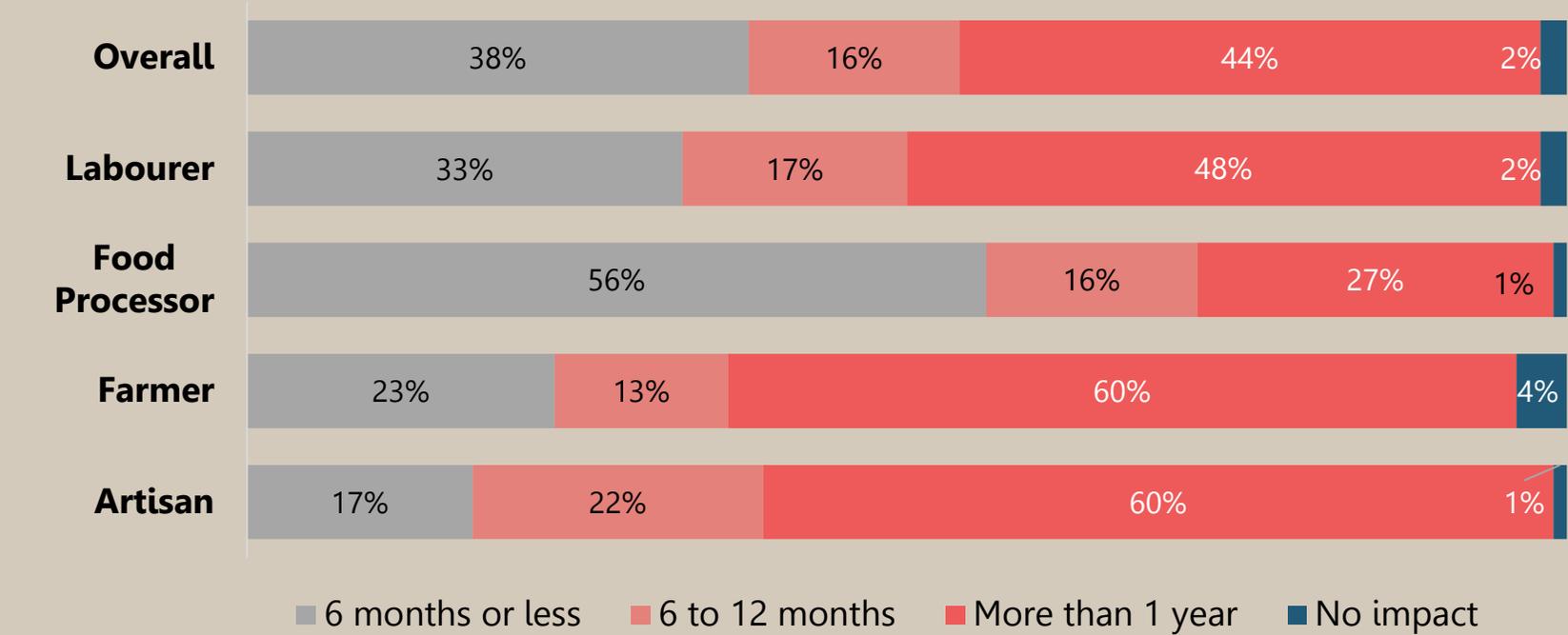
**ii) cashflow and access to cash**



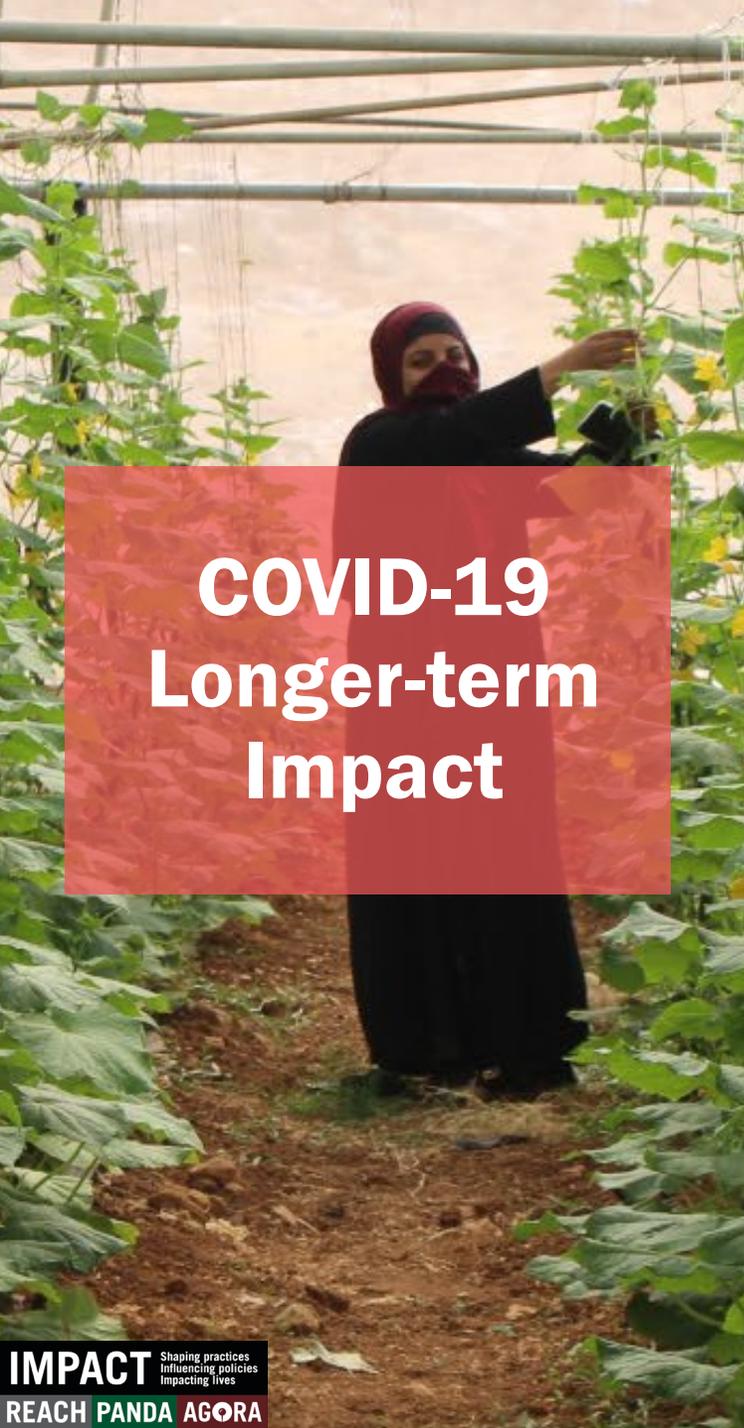


**COVID-19  
Long-term  
Impact**

## The duration of the COVID-19 negative impact on household finances



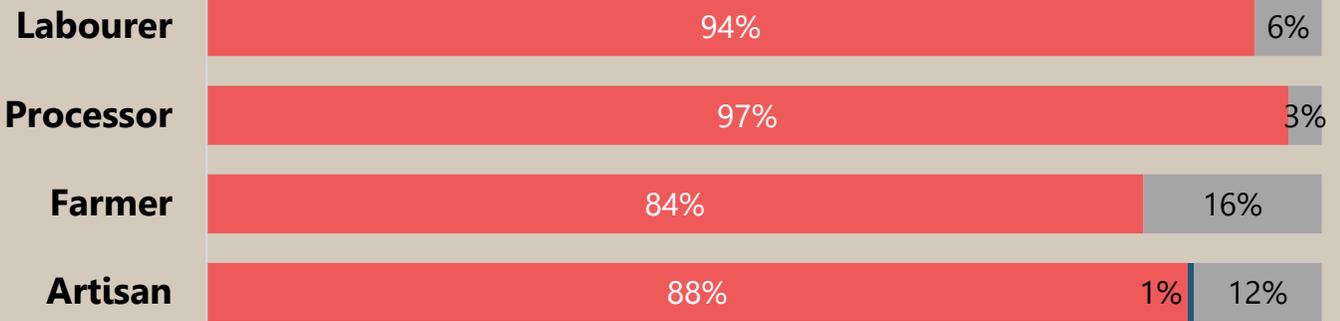
Seventy-five per cent (**75%**) of the respondents who have experienced negative financial impact due to COVID-19 reported taking loans or borrowing money.



# COVID-19 Longer-term Impact

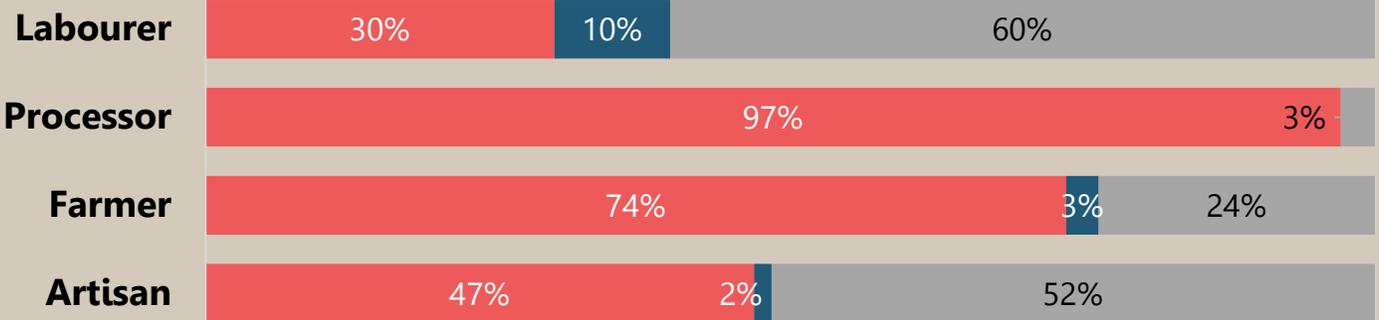
## Long-term impact on basic needs and access to services

### Food security

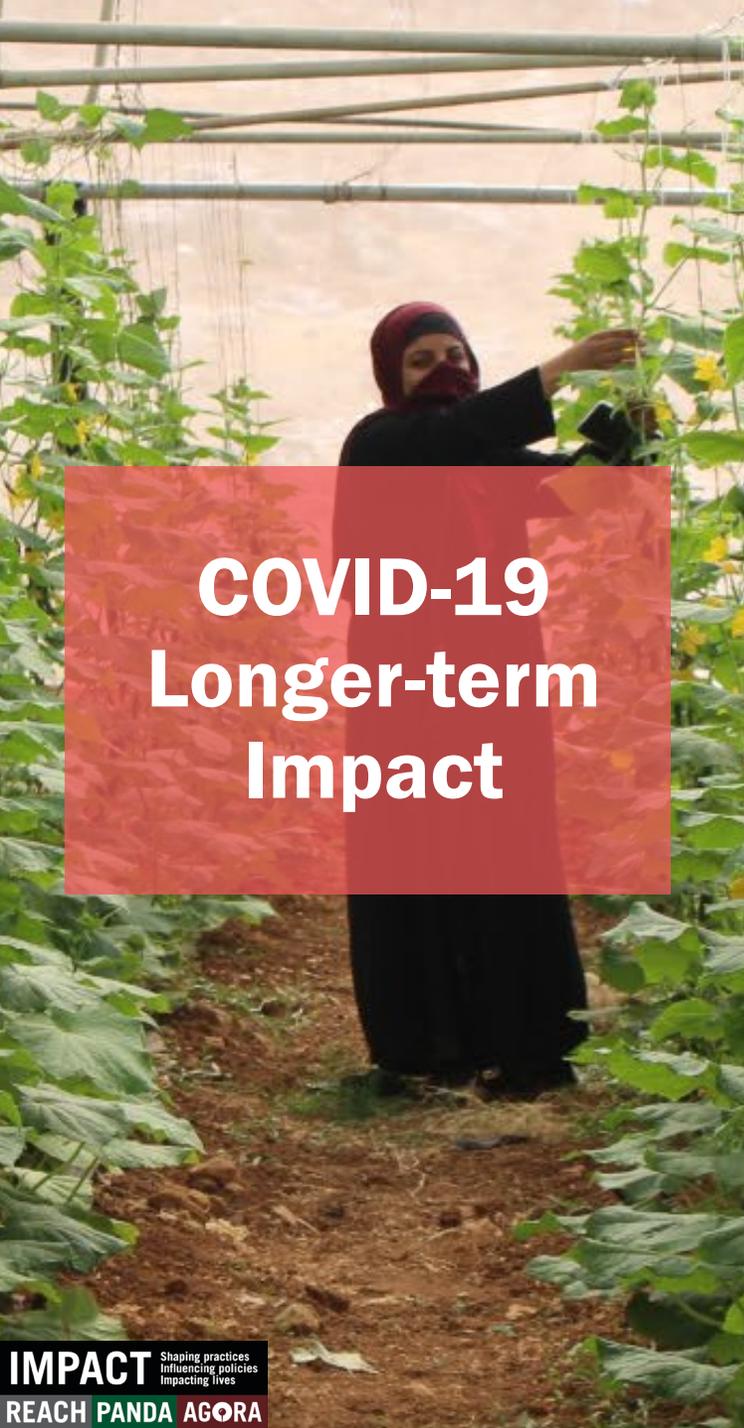


■ Deteriorated
 ■ Improved
 ■ Nothing changed

### Access to financial assistance

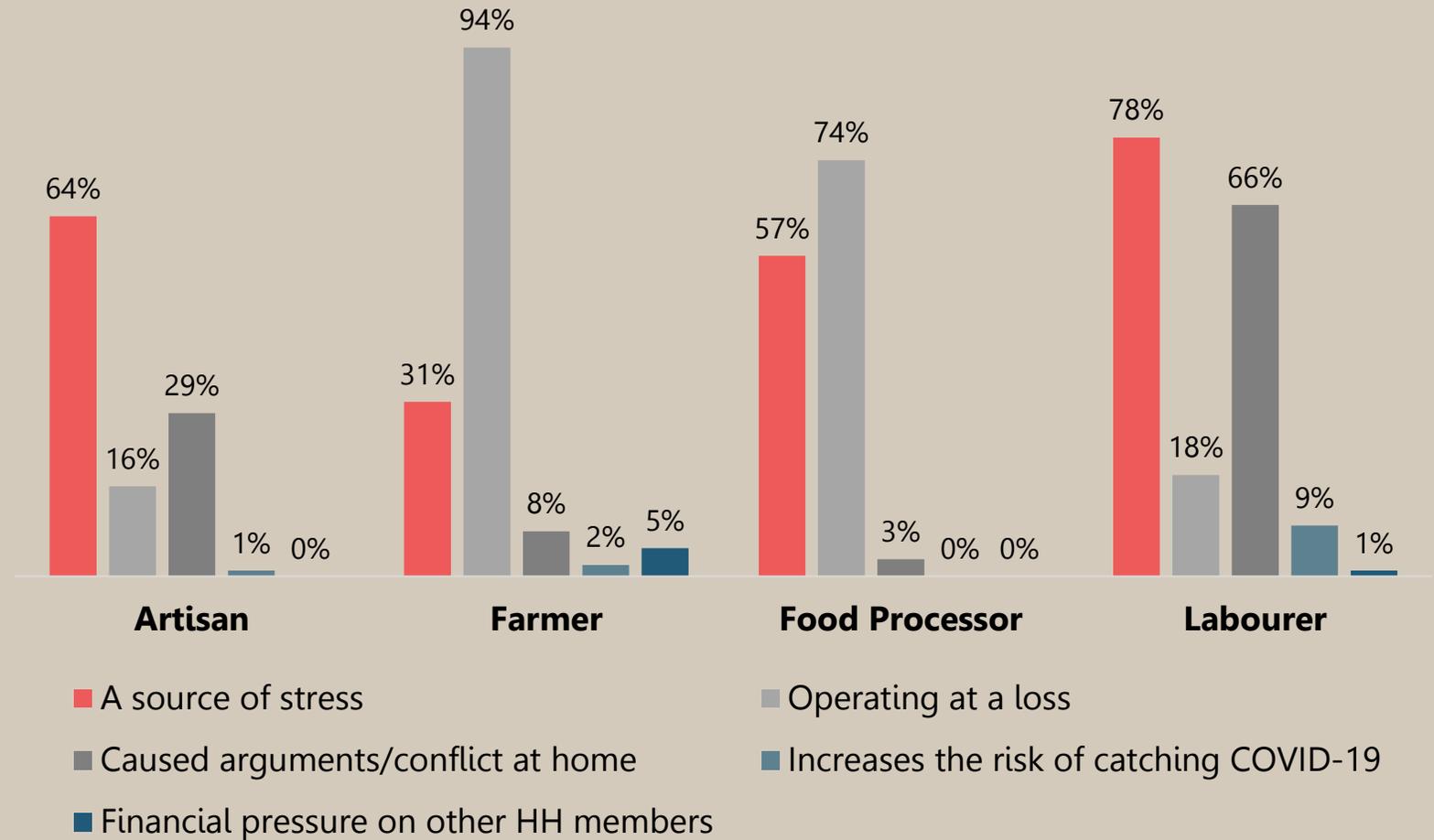


■ Deteriorated
 ■ Improved
 ■ No impact



## COVID-19 Longer-term Impact

### Current perceptions of COVID-19 Impact on Respondents' HHs Financial Situation (by Population Group and Business Sector)





## Qualitative Findings

# COVID-19 Short and Long-Term Financial Impact

Unanimity in reporting a severe negative impact on micro-business revenues and household finances, for all occupational groups:

- business revenues fell and labouring jobs were lost
- increase in household debt
- food-based coping strategies
- changes to living situations

Household dependency on one income source increases vulnerability

Double impact: increased costs and low demand

Contrasting opinions on the financial impact of Syrian-owned micro-businesses vs. Jordanian-owned businesses

# Operational Impact of COVID-19



# Challenges Faced

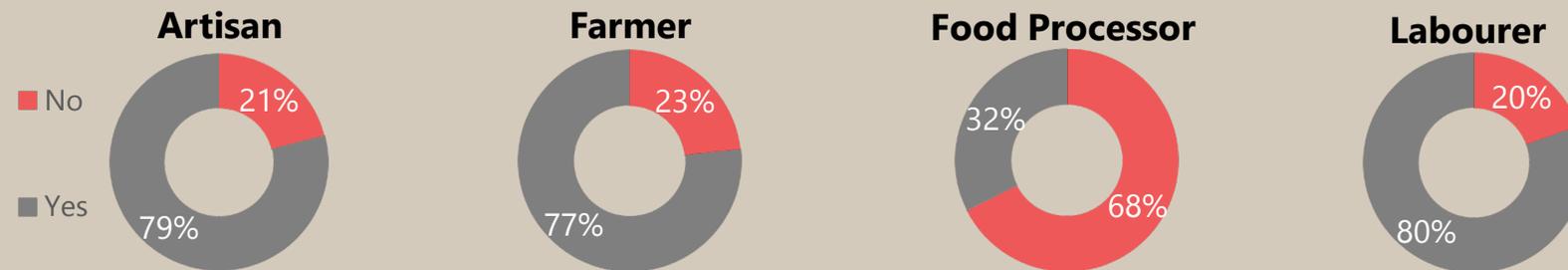
## COVID-19 challenges for micro-businesses since March 2020

Challenge	Artisans (n=390)	Farmers (n=366)	Food Processors (n=369)
Do not have enough money to buy raw materials/supplies	70%	67%	41%
Cannot get raw materials at pre-pandemic prices	56%	61%	72%
Supplies are not available at the shops	31%	36%	45%
Cannot travel due to travel restrictions	31%	28%	48%
Cannot access business/land	21%	45%	1%
A lack of demand/customers	7%	16%	23%
End products were ruined	1%	26%	1%



# Challenges Overcome

## At least one COVID-19 related challenge overcome



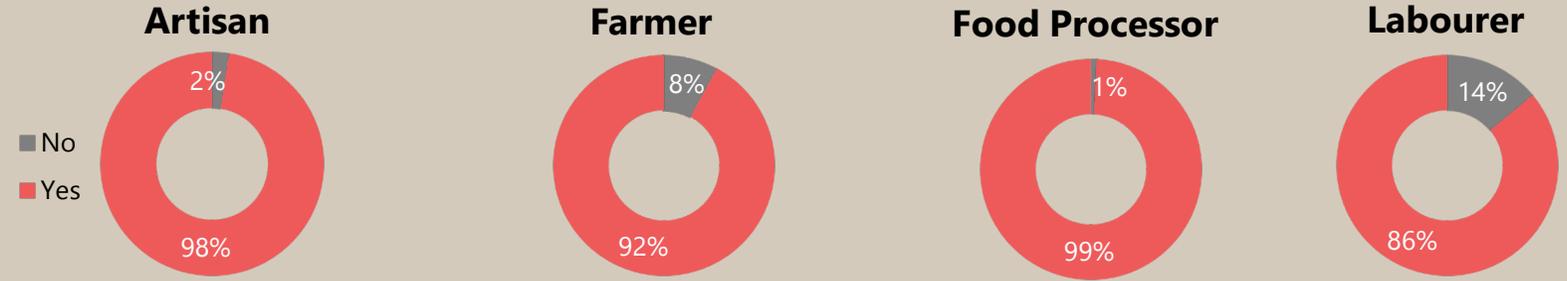
## COVID-19 challenges reportedly overcome

Challenge	Artisans (n=320)	Farmers (n=298)	Food Processors (n=75)
Suppliers are hard to find / refused to work with me	79%	70%	8%
A lack of demand for the products/services	22%	60%	49%
Cost of transportation	20%	48%	15%
Lack of money / unexpected costs	18%	16%	35%
Difficult to reach more customers	13%	13%	28%

Challenge	Labourers (n=307)
A lack of jobs / limited working hours	78%
Cost of transportation	14%
Lack of money / unexpected costs	10%



## At least one COVID-19 related challenge has worsened since the start of the pandemic



## COVID-19 challenges that have worsened since the start of the pandemic

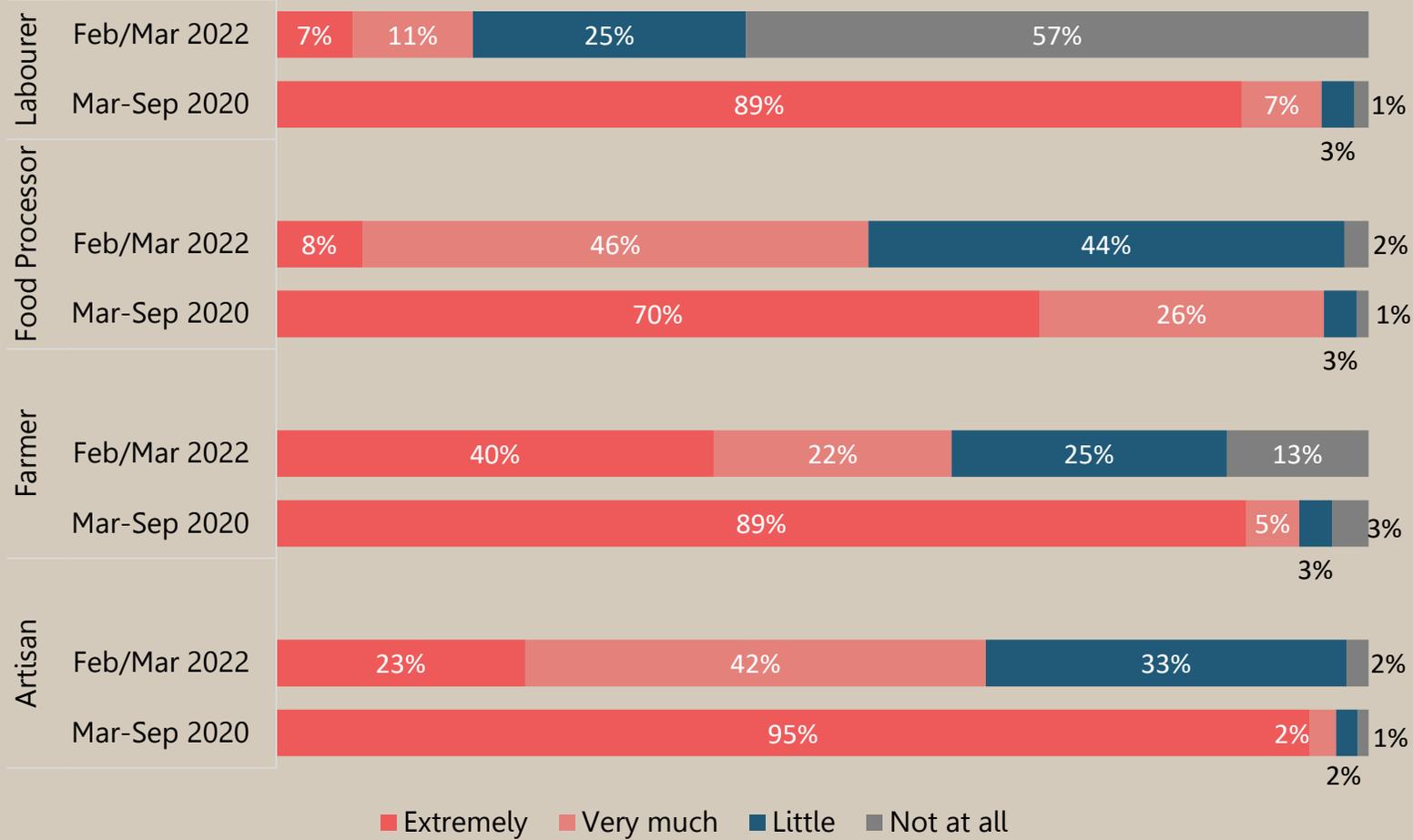
Challenge	Artisan	Farmer	Food Processor
Lack of money / unexpected costs	72%	75%	88%
Lack of equipment/asset	54%	35%	49%
A lack of demand for the products/services	30%	20%	41%
Difficult to reach more customers	45%	18%	14%
Environmental challenges (e.g. drought)	0%	46%	2%
Competition with other business owners	17%	24%	12%

Challenge	Labourer
A lack of jobs / limited working hours	30%
Lack of money / unexpected costs	26%
Seasonal production	13%
Competition with others	12%



**Long-Term Disruptions**

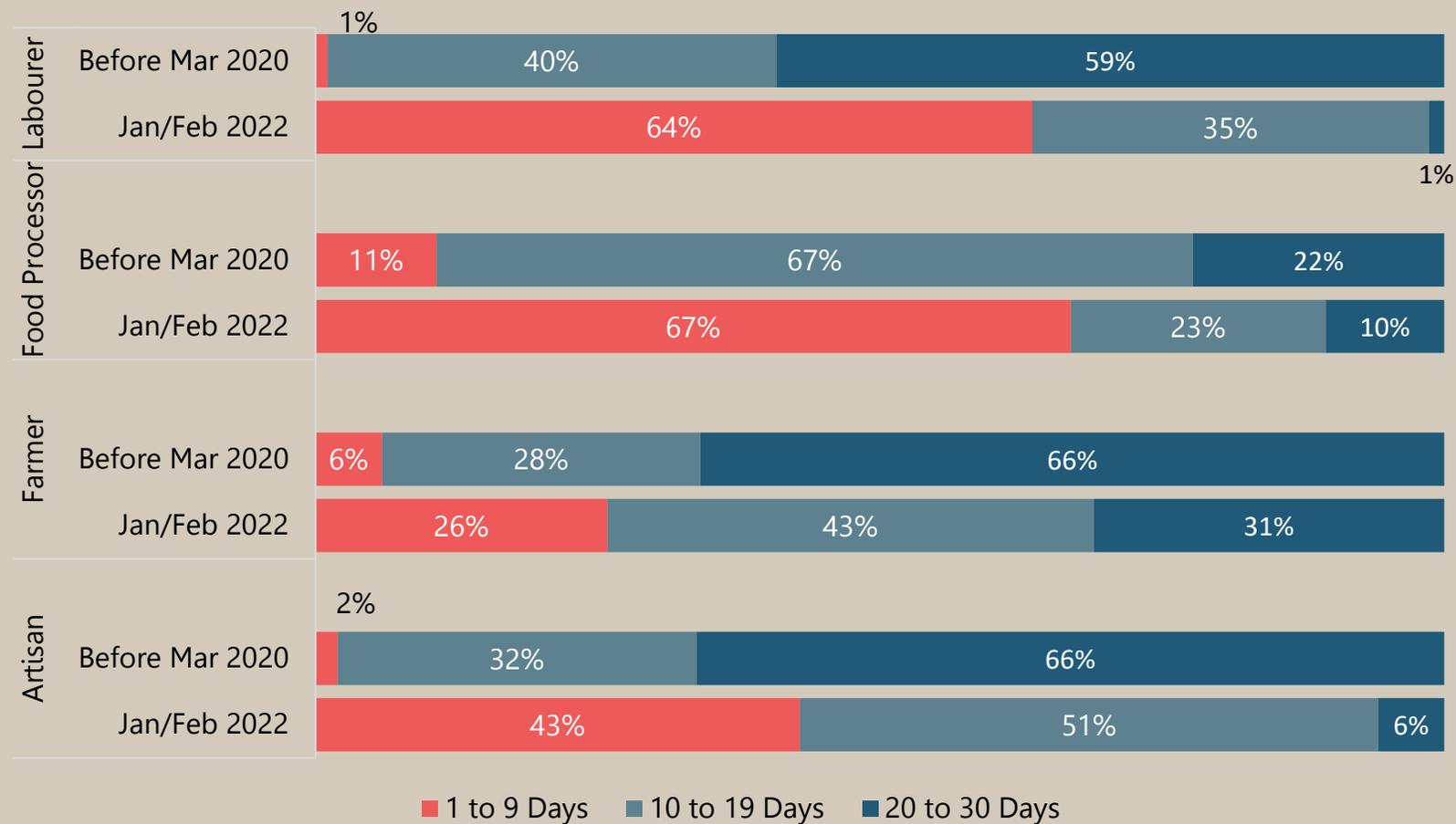
# Extent to which COVID-19 impact is disrupting business activities compared to the period of March-September 2020





## Working Days/Month

### Change in days/month worked





## Qualitative Findings

### COVID-19 Short and Long-Term Operational Impact

The pandemic has exacerbated pre-existing and long-term challenges to the growth of the micro-business sector:

- Cost and accessibility of raw materials
- Over-reliance of the artisan sector on tourism

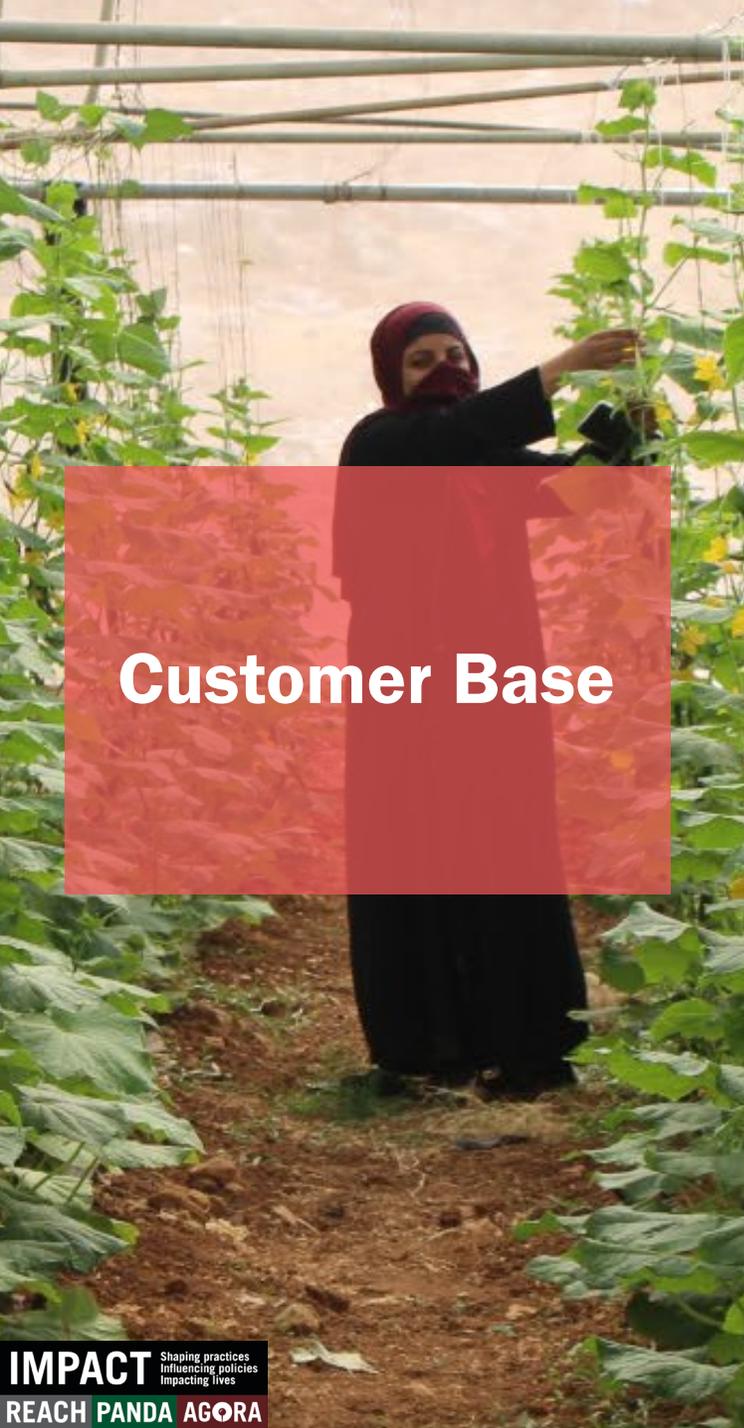
Many pre-existing challenges not linked to the pandemic:

- Seasonality and water scarcity
- Competition in the handicrafts sector (cheap imported goods)
- Limited business development among micro-businesses
- Lack of formalisation of employment among Syrian refugees

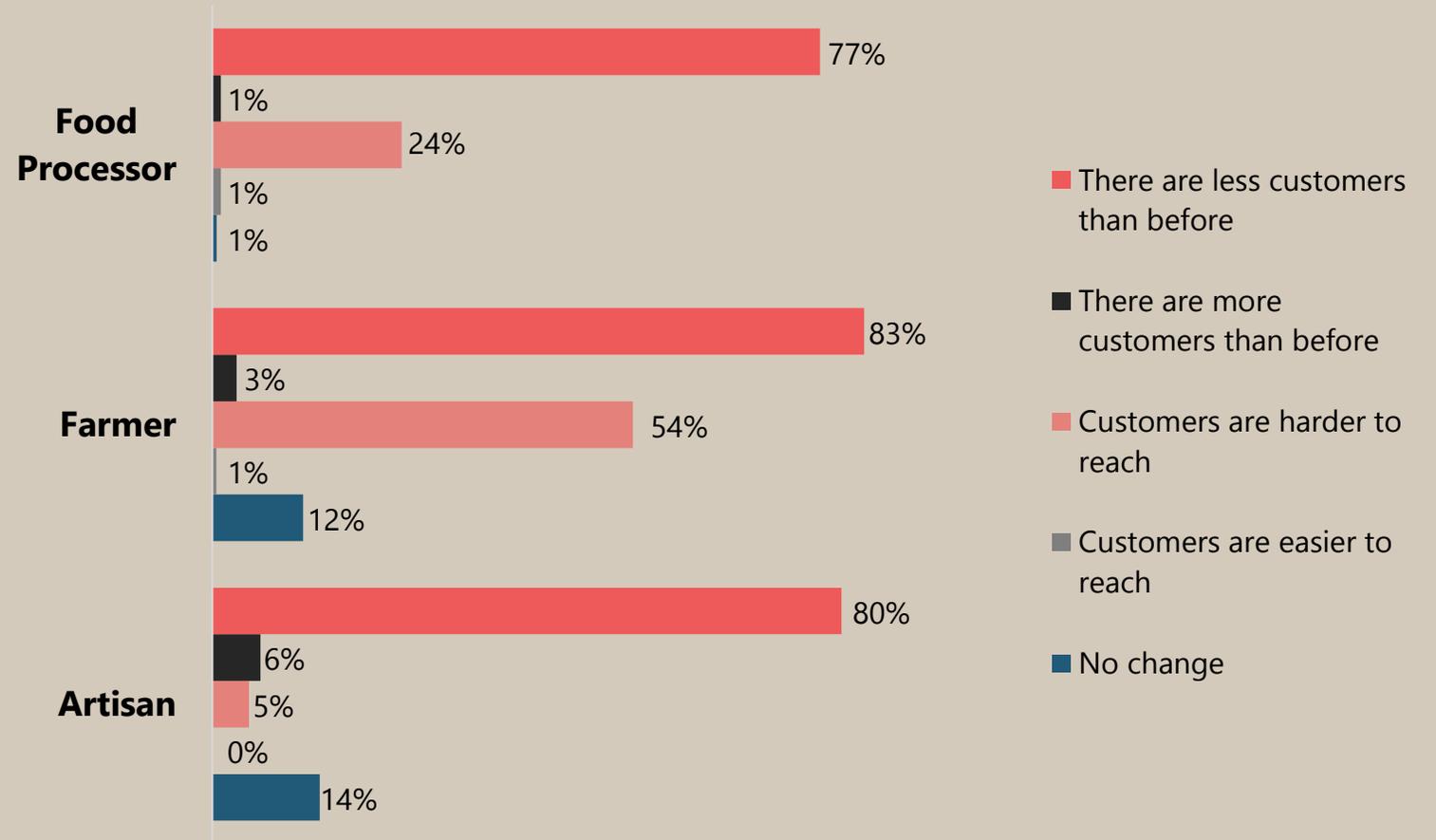
Factors impacting recovery:

- Level of investment pre-pandemic (greenhouses, improved seeds)
- Diversification of products/skills

# Changes in Market Conditions



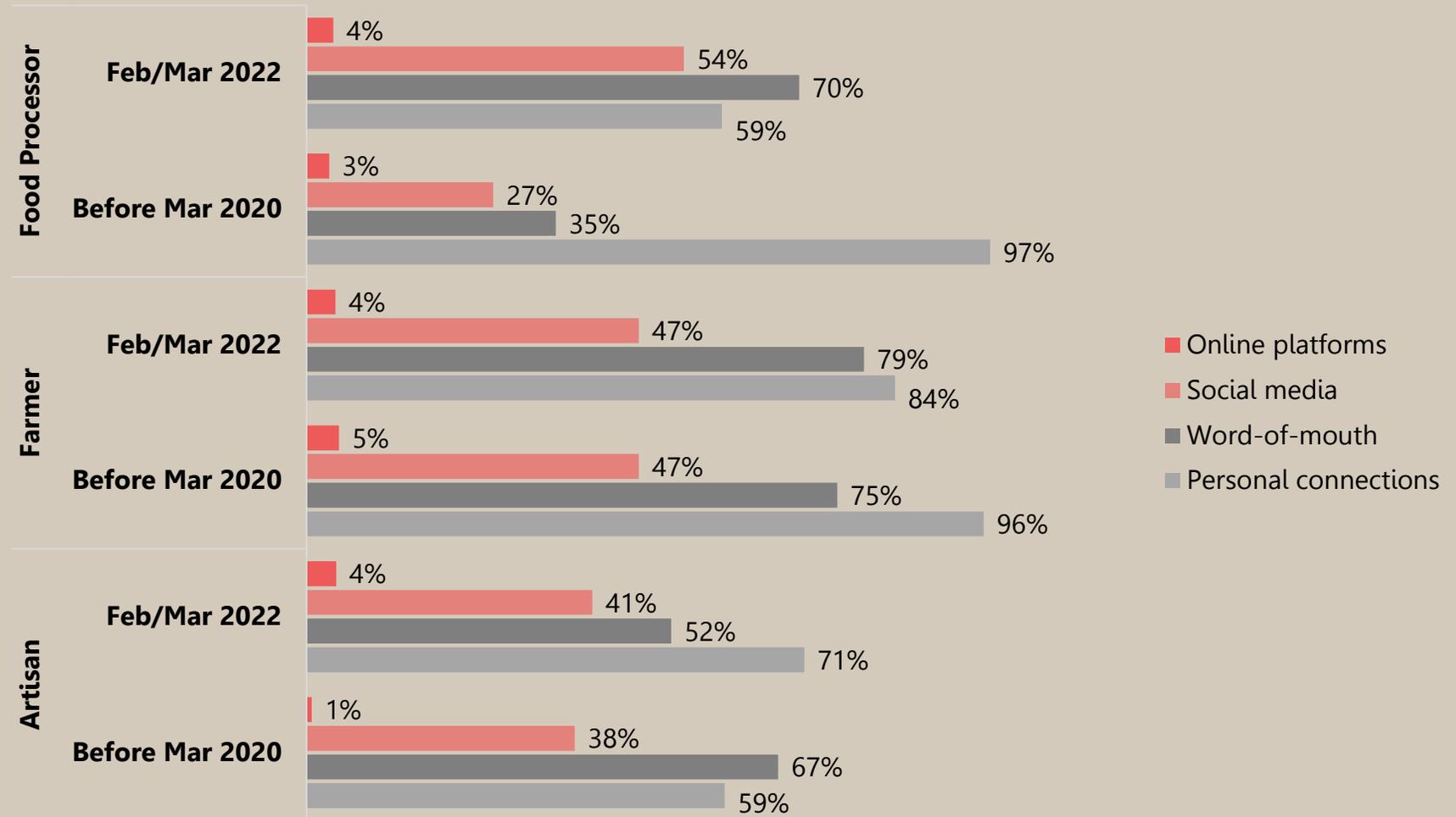
## Change in customer base since before March 2020





# Sales Techniques

## % of Respondents by the most reported Marketing and Sales Techniques Before COVID-19 and Now by Business Sector





## Qualitative Findings

### Changes in Market Conditions

Changes in customer behaviour during the pandemic:

- Demand for cheaper (and acceptance for lower quality) products
- Buying smaller quantities (particularly processed food products)

Contrasting opinions regarding changes in competition:

- Micro-business closures
- Start-ups as a response to a lack of job opportunities
- Growing acceptance of micro-business products

Contrasting opinions regarding digitalisation:

- Increased but limited use of digital platforms/technologies

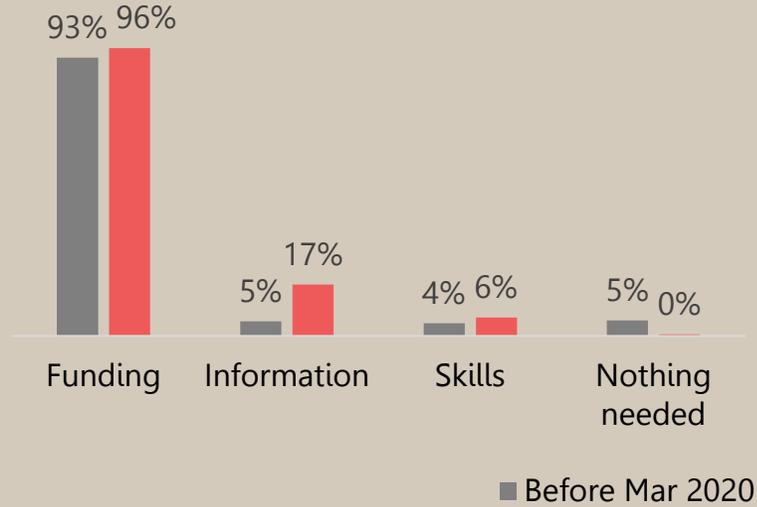
A woman wearing a dark blue hijab and a dark blue long-sleeved top is standing in a greenhouse, tending to a row of green plants. The greenhouse has a white plastic covering and a metal frame. The plants are growing in rows, and the woman is looking down at them. A large red semi-transparent rectangle is overlaid on the image, containing the title text.

# Needs and Knowledge Gaps

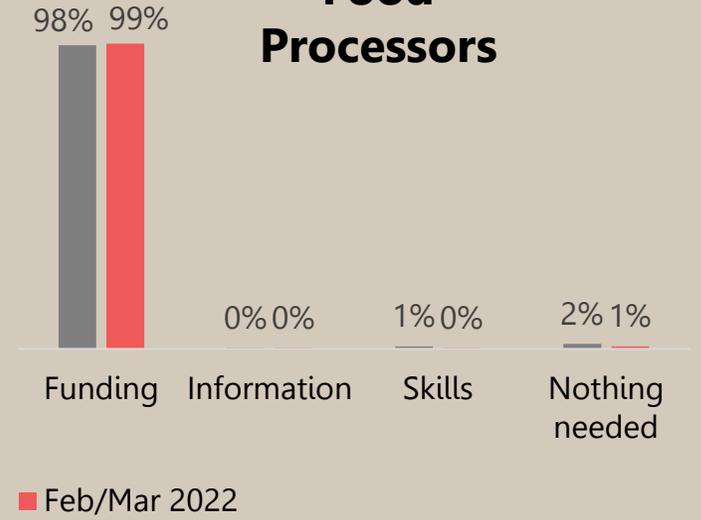


# Changes in Business Needs

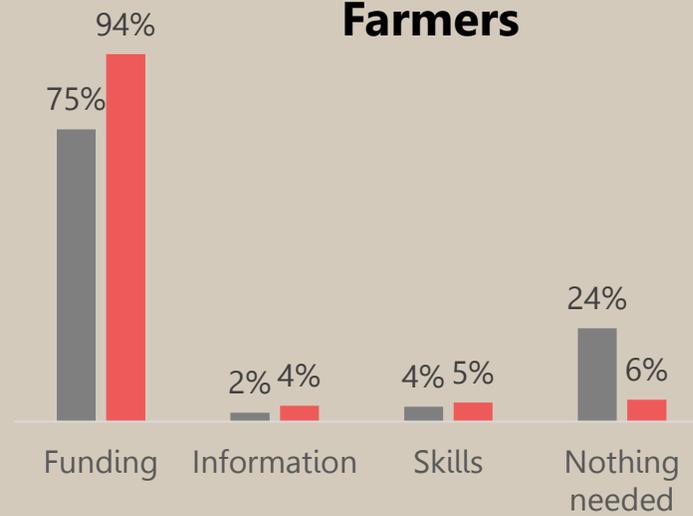
## Artisans



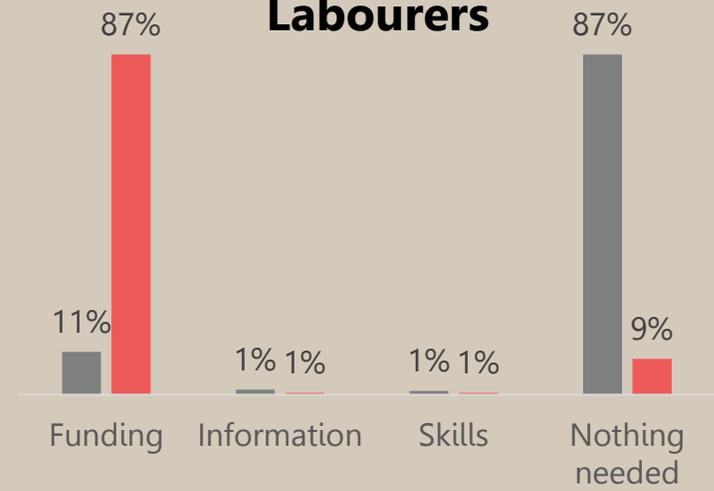
## Food Processors



## Farmers



## Labourers





# Reasons

## Reasons for needing financial support

	Artisan	Farmer	Food Processor	Labourer
To buy equipment/tools	<b>85%</b>	<b>89%</b>	<b>96%</b>	8%
To buy new supplies / raw materials	76%	<b>92%</b>	<b>97%</b>	0%
To cover household needs / debts	16%	26%	46%	<b>98%</b>
To satisfy health and safety procedures / food safety standards / HACCP standards	6%	28%	2%	0%
For marketing	13%	10%	11%	0%
For transportation	4%	8%	18%	3%

## Reasons for needing additional information

	Artisan	Farmer
To reach new customers	70%	63%
To improve marketing	34%	56%
To access financial support	49%	50%



## Qualitative Findings

### Needs and Knowledge Gaps

Need for short-term support – financial grants, income support, assistance transporting labourers to farms – coupled with structural reform:

- Water infrastructure
- Regulatory changes (formalisation, imports)
- Information dissemination (soil and crop management, labour rights)

Contrasting opinions about work permits for Syrian refugees:

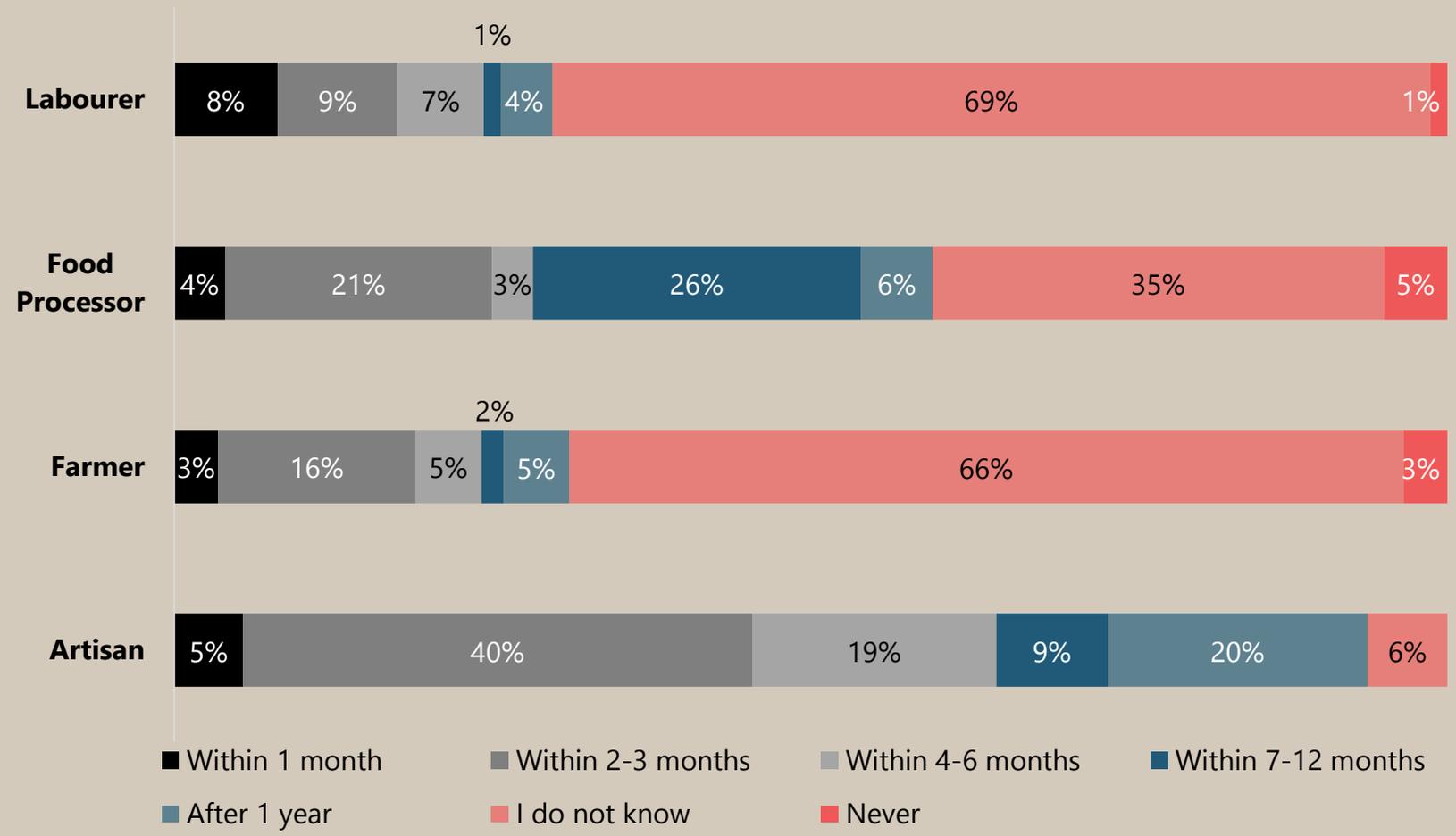
- Lack of awareness concerning the process
- Lack of demand for permits (associated costs)

# Future Prospects



# Recovery Period

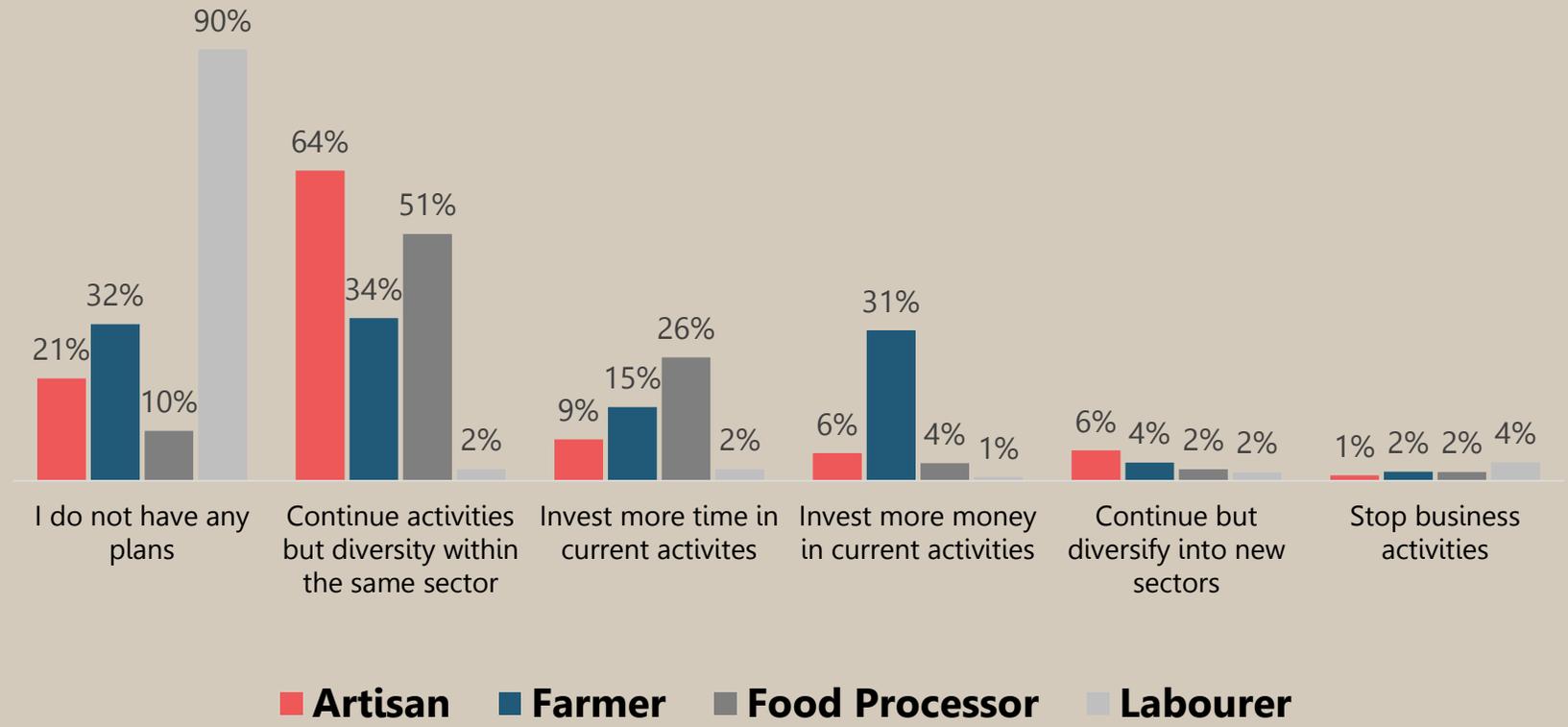
## Perceived period of time necessary to resume the same number of working days/hours as before COVID-19





# Future Plans

## Reported future plans for the next six months (March – Sept 2022)





## Qualitative Findings

### Future Prospects

A mix of optimism and pessimism among key informants:

- ✓ Increase in use of technology, including online marketing
- ✓ Increasing governmental support for micro-businesses
- ✓ Pandemic coming to an end, return of tourism
- ✗ Uncertainties regarding donor funding
- ✗ Persistence of structural challenges facing micro-businesses
- ✗ Impact of the war in Ukraine
- ✗ Competition from larger businesses
- ✗ Economic and environmental issues



# Conclusion

## Key Informant Recommendations

### Develop meaningful graduation approaches

Transforming short-term support (grants, training) into long-term support (centralised support systems, access to information, representation in decision-making).

### Increase the desirability of formalisation

Reduce registration and compliance costs, raise awareness around process and social security benefits.

### Match supply with demand

Support businesses to notice/anticipate demand in nearby areas, and support diversification of products, skills, and marketing strategies.

### Address food insecurity and environmental challenges

Structural reform to improve market conditions for agri-businesses and labourers.

# THANKS FOR YOUR ATTENTION



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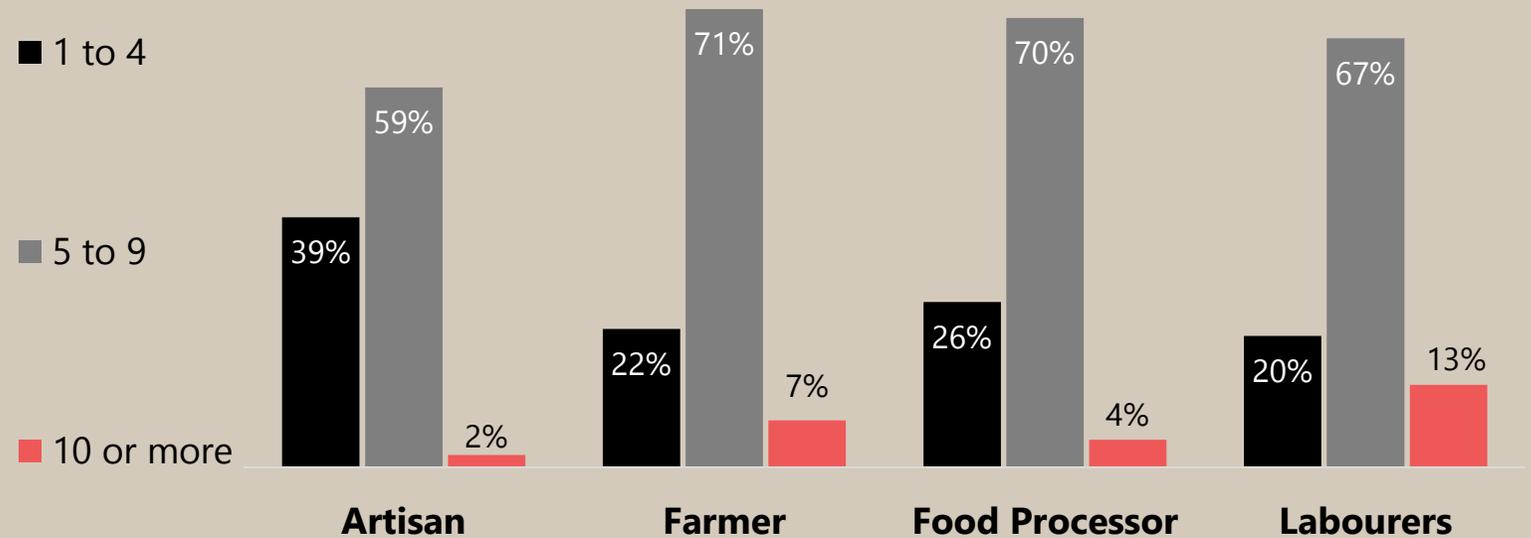


# Annex 1 - Sample Demographics



## HH Size and HoHH Gender

### % of Respondents by respective HH Size and Occupational Group



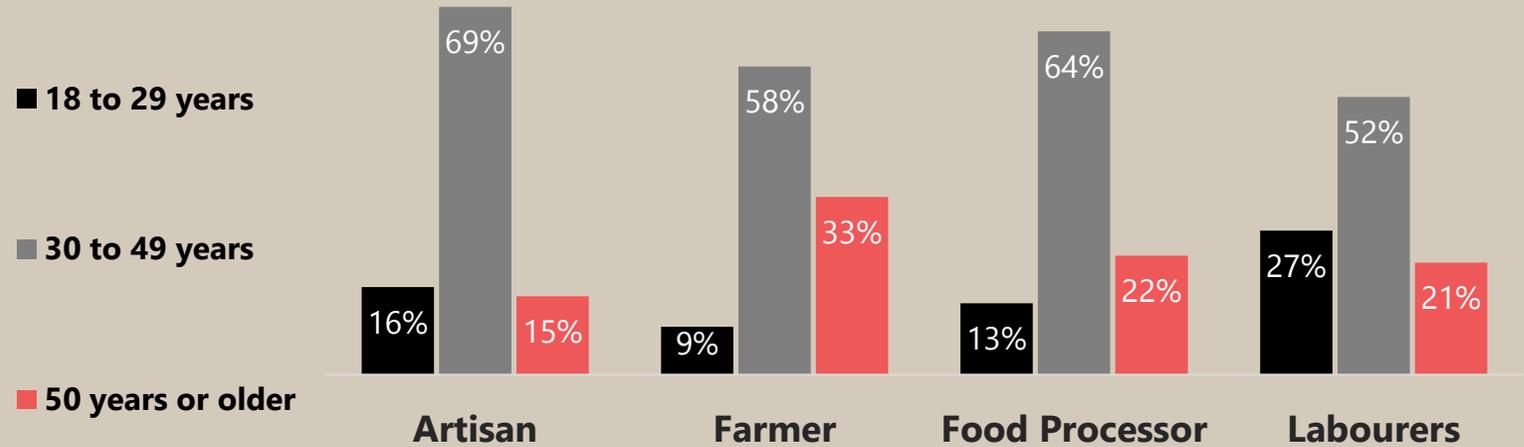
### % of Respondents by respective HoHH Gender and Occupational Group

	Artisans	Farmers	Food Processors	Labourers
Female	12%	13%	60%	8%
Male	88%	87%	41%	92%



## Respondents Age and Gender

### % of Respondents by Age and Business Sector



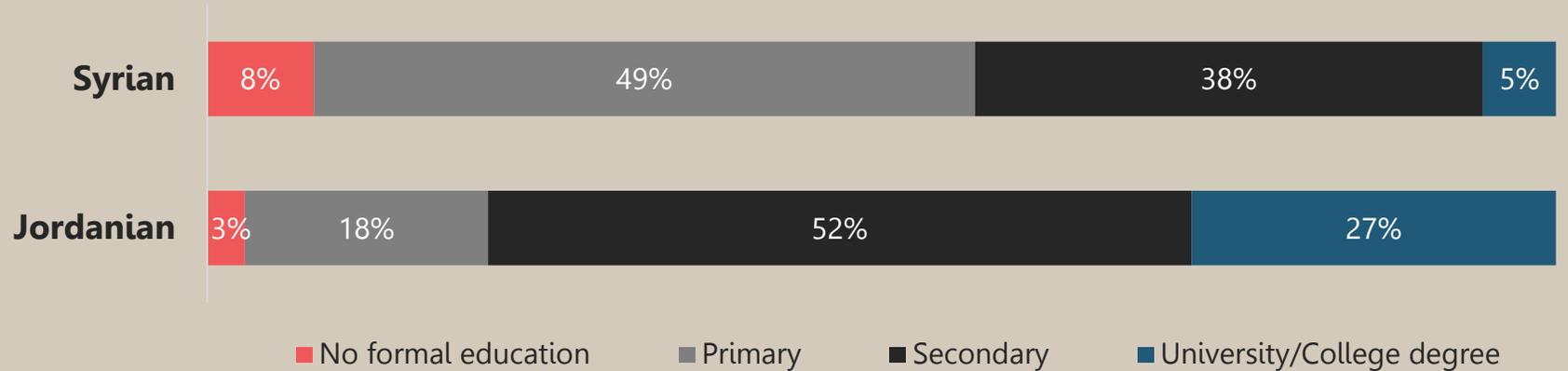
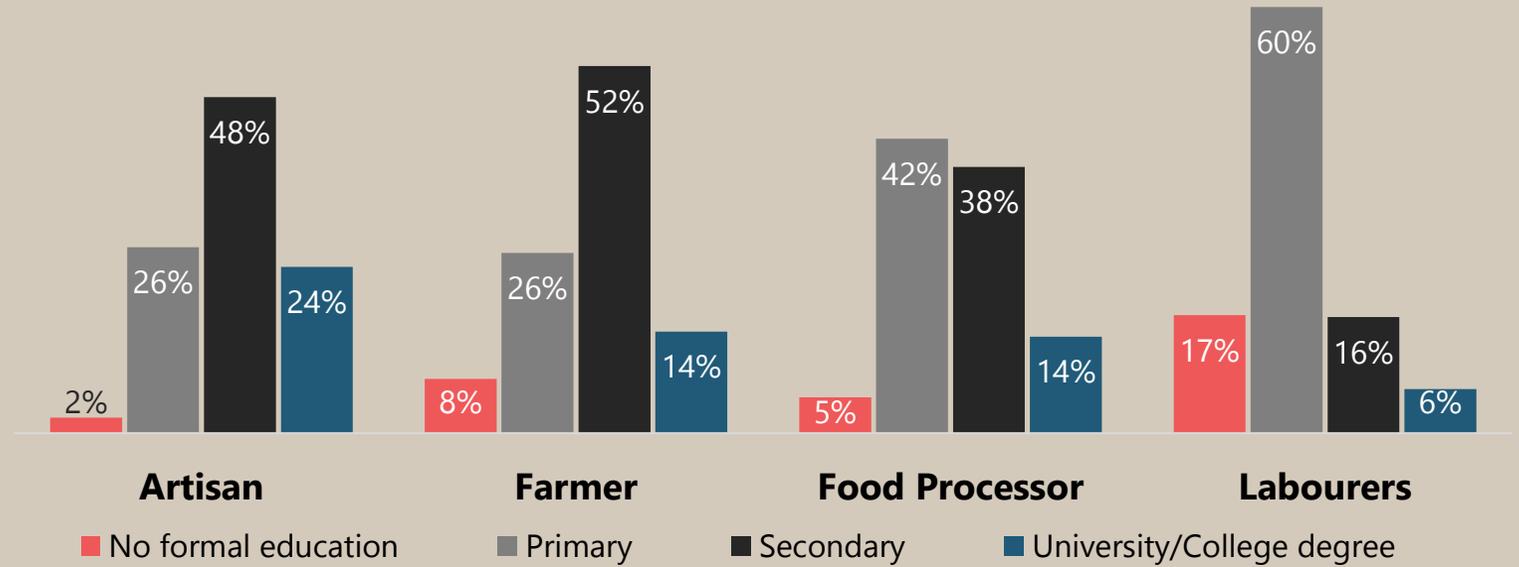
### % of Respondents by Gender and Business Sector

	Artisans	Farmers	Food Processors	Labourers
Female	51%	42%	91%	14%
Male	49%	58%	9%	86%



# Respondents Locations by Region

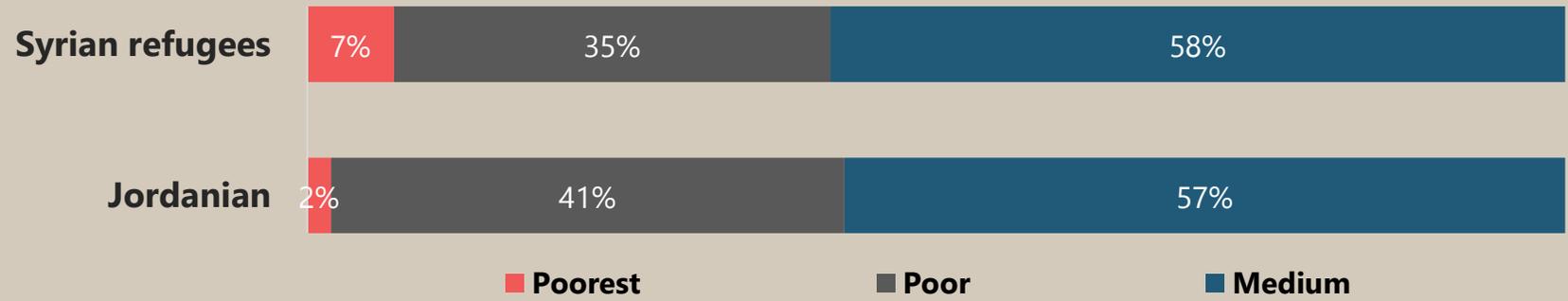
## % of Respondents by their Highest Education Level and Business Sector



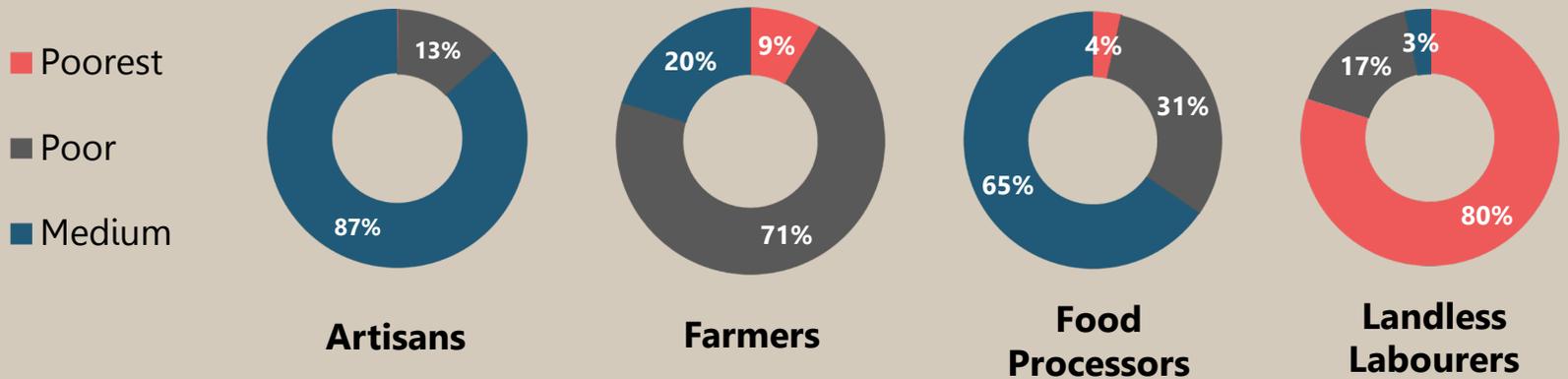


# Wealth Scores and Quintiles

## % of Respondents by respective HH Wealth Score and Population Group



## % of Respondents by respective HH Wealth Score and Business Sector



**Note:** Wealth scores and quantiles were calculated using the EquityTool, which is a country-specific composite measure of HH living standards based on ownership of assets, housing type and materials, sanitation facilities, and ownership of a bank account. Respondents are assigned a wealth quantile based on 20% of the population, (1 representing the poorest, 5 the wealthiest) on the national quantiles.